



City of Cincinnati

Date: August 12, 2004

CITY OFFERS ONE-TIME CHANCE FOR TAX AMNESTY

The City of Cincinnati is offering a limited time opportunity for individuals and businesses that owe back income taxes to pay them without penalty or interest. The City's first Tax Amnesty program is available from August 12 through November 15 only, and applies to all who are liable for taxes due on returns that have not yet been filed and/or those taxes due on returns previously filed but not paid. Individuals or businesses whose cases have been referred to the Law Department or a collection agency are not eligible for tax amnesty.

The City's income tax rate of 2.1% is applicable to individuals who live or work within the City of Cincinnati, all employees who work in the City (regardless of where they live) and all businesses (including partnerships and sole proprietorships) that operate in the City. Additionally, nonresidents and businesses outside of Cincinnati who work or conduct business in Cincinnati must pay tax on income.

The City of Cincinnati's Finance Department is offering a one-time Income Tax Amnesty program as part of a series of initiatives to address the projected \$6.1 million shortfall in the City's income tax revenue occasioned by the economic downturn in 2004. The income tax revenue supplies 60% of the City's General Fund. It is estimated that Cincinnati can recover approximately \$500,000 from this program.

To participate in the Tax Amnesty program, individuals or businesses must:

1. Calculate how much is owed for back taxes by preparing the appropriate returns, or refer to a City of Cincinnati tax bill.
2. Complete the Tax Amnesty Application form.
3. Mail or deliver the completed application form and all returns, along with full payment of back taxes before the close of business on November 15, 2004.
 - ❑ Short-term payment plans (up to 12 months) will be considered for taxpayers who demonstrate financial hardship. These plans require the applicant to pay 25% of the income tax due at the time of the application and complete a separate request for a payment plan.

Applications postmarked after November 15, 2004 will not be considered for the program.

Following the November 15 deadline, the City of Cincinnati's Income Tax Division will be increasing its efforts to locate and assess delinquent taxpayers, including matching information with IRS records, State of Ohio data and other information sources. In addition, all administrative and judicial remedies will be pursued to the fullest extent to collect the entire amount owed. Following the Tax Amnesty program, all applicable penalties and interest will be imposed.

Amnesty applications and tax forms are available at: <http://www.cincinnati-oh.gov/cityfinance/pages/-7044/> or from the City of Cincinnati Income Tax Division, 805 Central Avenue, Suite 600, Cincinnati, Ohio 45202. To request a mailed or faxed copy call (513) 352-2546.

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